From:	Dane Hutchings
To:	Keith, Kirsten
Subject:	PERS Info
Date:	Tuesday, April 04, 2017 11:24:46 AM
Attachments:	image001.png Discount Rate Formulas CalPERS CL# 200-004-17.pdf Cost Projections with Discount Rate Changes for Distribution from CalPERS 2017-03-15.xlsx CSMFO Nuts and Bolts of Applying New Discount Rate 3.9.17.pdf

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Hey Kirsten,

Here is the info from the email that was sent to all city managers on our list back on 03/13:

In light of recent actions taken by the CalPERS Board of Administration to reduce the discount rate assumption (the long-term rate of return) from 7.50 percent to 7 percent over the next three years, I want to ensure that you have the most recently available information to assist your pension costs projections. League Staff strongly urges each agency to begin calculating outyear pension costs with a 7 percent return assumption. Doing so will prepare your agency to make appropriate and proportional decisions as the rate changes take effect.

Recently, the California Society of Municipal Finance Officers (CSMFO) hosted a **step-by-step tutorial on how to calculate your PERS contributions with the new discount rate (CalPERS--Nuts and Bolts of Analyzing and Explaining the Impact of the New Discount Rate). It will be incredibly helpful to your efforts. Please find this tutorial and Slides at** http://icma.granicus.com/MediaPlayer.php?view_id=4&clip_id=460

Attached the sample Excel spreadsheet referenced in the webinar that CalPERS has provided to expedite your calculations when using the data from your agency's June 30, 2015, actuarial report. You will be able to plug in your own numbers at your city's funded ratio for Miscellaneous and Safety Plans. This tool will provide the most recent and best estimate of your projected costs.

A number of Cities have begun this process and have used the attached excel sheet as a model in standardizing the calculations. League Staff urges each agency to begin calculating out-year pension costs with a 7 percent return assumption. Doing so will prepare your agency to make appropriate and proportional decisions as the rate changes take effect.

Upon completion please send me your numbers. We are trying to collect from as many cities as possible.

Thanks! DH

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